

Exceptions and exclusions

Pre-existing medical condition, lung cancer – whether later liver cancer could be termed as pre-existing.

Background

The issue concerned a benefit which provided cover for parents of a life insured. An extract from the policy wording read as follows:-

“..... The automatic cover for each parent is provided free of medical underwriting, but excludes pre-existing medical conditions that the parent knew about or sought medical attention for in the past...”

The claim arose from the illness of the life assured's father, who had suffered from lung cancer and underwent a pulmonary lobectomy in February 2006. The policy came into force on 1 October 2006. A few months later liver cancer was diagnosed which prompted the claim. The insurance company denied liability on the grounds of a pre-existing medical condition, namely the lung cancer.

Discussion

Having sought the opinion of a specialist physician, a member of the medical panel who advises the Ombudsman's office from time to time, we took the view that the liver cancer was a secondary condition, with histochemical markers which, although not specific, strongly favoured a pancreatic, gastric or intestinal malignancy, and not a pulmonary site, as having been the initial cancer. Arising out of this the Ombudsman came to the conclusion that, on a balance of probabilities, the liver cancer was not related to the lung cancer. The cancer giving rise to the claim was therefore not a cancer of which the claimant would have been aware at the inception of the insurance. Our decision was that the claim should be admitted.

The insurance company contended that the word '*condition*' which featured in the policy wording, when applied in the generic sense, enabled the insurer to consider all cancers to be covered by the exclusion. We disagreed, stating that the wording the insurance company had adopted did not warrant the exclusion of unrelated cancers. If it had been the insurer's intention to cover all cancers then the contract should have been specifically worded to cater for it.

Result

The claim was settled in the complainant's favour.